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90-571

Supreme Court, U.S.
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No. 90-_____

IN THE

SUPREME COURT OF THE UNITED STATES

October Term, 1990

JACKSON LEEDS,

Petitioner,

v.

HON. ROBERT A. MOSBACHER, Secretary, United States Department of Commerce, et al.,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT and APPENDICES

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September 26, 1990

QUESTIONS PRESENTED

1. Is the concept "relating to patents" as utilized in 28 U.S.C., section 1338 limited to "patent rights" as its legislative history indicates?

2. Did the Court of Appeals for the District of Columbia Circuit, in violation of Congressional intent, erroneously expand the exclusive jurisdiction of the Court of Appeals for the Federal Circuit under 28 U.S.C., section 1295(a)(1)?

CERTIFICATE OF COUNSEL REQUIRED BY RULE 21(b) OF THE GENERAL RULES OF THE UNITED STATES SUPREME COURT

The undersigned counsel of record for the petitioner certifies that the following listed parties appeared upon the pleadings below:

I. As plaintiff (petitioner) herein:

Jackson Leeds

II. As defendants (respondents) herein:

Hon. Robert A. Mosbacher, Secretary of Commerce, United States Department of Commerce;

Hon. Donald J. Quigg, Commissioner of Patents, United States Patent and Trademark Office;

Cameron Weiffenbach, Director, Office of Enrollment and Discipline, United States Patent and Trademark Office; and

The United States of America.

Glenn H. Carlson, Esquire

Attorney of Record for Petitioner

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT and APPENDICES

INTRODUCTION

Jackson Leeds, hereby petitions this Court for a writ of certiorari to the Court of Appeals for the District of Columbia Circuit.

OPINIONS BELOW

The opinion of the Court of Appeals entered on June 28, 1989 is unreported. It appears in the Appendix hereto (A) at 1a. The substantive decision, not related to the jurisdictional issue presented by this petition, is reported at 732 F. Supp. 198 (D.D.C. 1990).

JURISDICTION

Jurisdiction over this petition obtains under Rule 20.2 of the Rules of this Court. Jurisdiction of the District Court was predicated upon 28 U.S.C., sections 1331 and 1361.

STATUTES AND REGULATIONS INVOLVED

This case involves the nexus of 28 U.S.C., section 1295(a) and 28 U.S.C., section 1338. These statutes appear in the appendix hereto at A-3a and A-4a.

STATEMENT OF THE CASE

Jackson Leeds, the petitioner, was an employee of the Patent and Trademark Office ("P.T.O."). Upon exiting that employment, Mr. Leeds, on July 22, 1988, filed an application for agent status with the P.T.O. Approximately six months later, and notwithstanding numerous inquiries by petitioner and his counsel, the first substantive response to that application was made; that was a P.T.O. request for further information. The request was directed to the moral character and reputation of Mr. Leeds, as is proper under the statute and

regulations governing registration. 35 U.S.C., section 31 and 37 C.F.R., section 10.7, Mr. Leeds openly and fully responded to that request.

Following that March 17, 1989 submission, another two and one-half month silence ensued. On May 24, 1989, petitioner's counsel sent a letter of inquiry to the P.T.O. Then on May 30, 1989 -- following the passage of both the October, 1988 and April, 1989 P.T.O. written examinations for agent status -- the P.T.O. for the first time told Mr. Leeds that not withstanding his more than four years of service with the P.T.O., he would have to apply for and take the next applicant examination. In other words, by the agency's inaction, which Mr. Leeds alleged was bad faith dilatory action, more than an entire year passed before the examination

requirement could have been first satisfied by Mr. Leeds. The P.T.O. letter further informed Mr. Leeds that he would have to pass the examination ("if and when") before it would even consider any issue related to his "moral character and reputation." Thus, the almost two hundred page response he was required to file in response to the January 19, 1989 request letter, would not even be reviewed by the P.T.O. prior to his passing the examination. This, too, Mr. Leeds argued was bad faith. Parenthetically, Mr. Leeds had spent several thousands of dollars in legal fees associated with his very complete response to the January 1989 request for further information. The agency knew this. The net effect of this purposeful behavior ("bad faith") of the agency was to exclude Mr. Leeds from registration for over one year, to his obvious prejudice, and in violation of law.

Mr. Leeds filed suit in the District Court for the District of Columbia. The complaint was predicated upon 28 U.S.C, section 1331, 28 U.S.C., section 1361 and 35 U.S.C., section 32. The allegations of the complaint were set forth in four counts. The first count alleged that the regulations prohibit an examination in circumstances where it would be a "mere academic exercise." 37 C.F.R., section 10.7(b). Mr. Leeds averred that the predicate for a finding of "mere academic exercise" existed in this case, and thus an order in the nature of a mandamus should issue to preclude Mr. Leeds from having to take the examination. Count II alleged that the P.T.O. had waived any right it may have had to require Mr. Leeds take the examination and Count III stated that the P.T.O. was estopped by its own behavior from compelling such an examination

as a part of his application process. Count IV set forth the bases for the grant of injunction relief.

Simultaneously with the filing of the District Court complaint, Mr. Leeds filed an appeal with the Commissioner of Patents in order to preserve his rights. The Commissioner issued a decision immediately thereafter requiring Mr. Leeds to take the examination. That decision admitted the dilatory behavior of the P.T.O.

Mr. Leeds, predicated upon the post-complaint action of the P.T.O., filed a supplemental complaint. He then initiated discovery on the "academic exercise" and "bad faith" aspects of his complaint. The District Court precluded any discovery by Mr. Leeds in its order of August 14, 1989. Mr. Leeds also moved to quash the post-complaint Commissioner's decision. Ultimately, based only on the administrative record, the

District Court affirmed the decision of the P.T.O. and denied the motion to quash. 732 F. Supp. at 204.

In light of the dissent filed by the Hon. Chief Judge Markey in Wyden v. Commissioner of Patents and Trademarks, 807 F.2d 934, 937 (Fed. Cir., 1986), petitioner filed notices of appeal in both the United States Court of Appeals for the District of Columbia Circuit and for the Federal Circuit. The P.T.O. moved to dismiss the District of Columbia Circuit appeal. On June 28, 1990 that motion was granted. (A-1a.) This petition follows.

REASONS FOR GRANTING THE WRIT

I. Where exclusive jurisdiction rests in the United States Court of Appeals for the Federal Circuit, the jurisdiction of each of the regional courts of appeals is concomitantly delimited.

The importance of this jurisdictional issue is found in the need of this court to affirm or disaffirm the exclusive nature of jurisdiction in the Federal Circuit because of the impact of such exclusive jurisdiction upon the regional circuit courts of appeals. The substantive aspect of this case and controversy does not "relate to patents qua patents; rather, it relates to an administrative function of the Patent and Trademark Office, i.e. the grant of agent status to former employees of the P.T.O.

There is absolutely no discussion of administrative functions in the legislative history of 28 U.S.C., section 1295 (Act of April 2, 1982, P.L. 97-164). The engine driving the legislation was the need to impede forum shopping and to insure uniformity in the application of patent law (qua patent law) in actions respecting infringement and patent validity. To the

Congress must be attributable the knowledge of the case law as it existed in 1981 and early 1982.

Under the case law that developed prior to 1982, the jurisdictional nexus for cases under Chapter 3 of Part I of Title 35 was solely predicated upon 28 U.S.C., section 1331. This was so even though 28 U.S.C., section 1338 then granted, as it does now, jurisdiction to the several district courts over "any civil action arising under any Act of Congress relating to patents...." The rationale for the nexus between Part I, Chapter 3 of Title 35 and 28 U.S.C., section 1331, to the exclusion of section 1338, was stated by the Ninth Circuit in Enders v. American Patent Search Company, 535 F.2d 1085, 1090-1092 (9th Cir. 1976). Among the reasons given for this exclusive nexus were:

A more important consideration leading to exclusive jurisdiction under section 1338 may have been the special need for uniformity in patent litigation. It was feared that one erroneous application of federal patent law by a state court in an infringement suit resulting in a judgment in favor of the alleged infringer, even if followed by successful suits against other infringers, would allow the first infringer to persist in his illegal conduct and could destroy the value of a patent. This concern is even more significant when viewed in the context of the highly technical nature of patent infringement and validity issues and the consequent desirability of judicial patent experience and expertise. See Note, Exclusive Jurisdiction of the Federal Courts in Private Civil Actions, 70 Harv. L. Rev. 509, 511 (1957.)

This same reasoning does not support the need for section 33 claims to be brought under the exclusive jurisdiction umbrella of section 1338.

535 F.2d at 1091-1092; emphasis supplied. The specific holding of the Enders case was that 35 U.S.C., section 33 "is not an act 'relating to patents' and therefore federal jurisdiction cannot be founded upon [35 U.S.C.] section 1338." 535 F.2d at 1092; emphasis supplied.

The statutory provisions found in Chapter 3 of Part I of Title 35, were enacted in 1952 as part of "An act to revise and codify the law relating to patents and the Patent Office." Pub. L. No. 82-593, 66 Stat. 792, July 19, 1952; emphasis supplied. The word "patents" in section 1338 was merely a substitute for the term "the patent right," a change only in "phraseology." Revisers' Notes, 1948 U.S. Code Cong. Service 1701, 1838. Other than to change the name of the Patent Office, these statutory provisions have not been modified since that time.

Still, even were uniformity an overriding consideration in agent status cases, it appears to have been achieved under 35 U.S.C., section 32 by the 1952 statutory scheme which allowed and, as petitioner argues, still allows, cases involving agent status only to be brought in the District of Columbia, with the obvious sole right to appeal resting in the circuit court for that district. Forum shopping was not possible in these cases prior to 1982 and 28 U.S.C., section 1338 was not a jurisdictional predicate for such cases. Had the Congress wished to grant exclusive jurisdiction in the Federal Circuit for such cases, in order to modify this express statutory scheme, it had to say so. It did not. There was to be no other encroachment on the regional circuit courts than that expressly stated, to wit, patent infringement and validity actions?

Administrative matters, such as agent status, were not envisioned as within the exclusive jurisdiction of the Federal Circuit.

II. The Congress demanded a strict construction of the jurisdiction of the Court of Appeals for the Federal Circuit, disallowing any inferential basis of jurisdiction.

The Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25 (1982)("F.C.I.A.") included the language now codified at 28 U.S.C., section 1295(a)(1). That provision grants exclusive jurisdiction to the United States Court of Appeals for the Federal Circuit "of an appeal from a final decision of a district court of the United States...if the jurisdiction of that court was based, in whole or in part, on section 1338 of" Title 28. Emphasis supplied. For the Court of Appeals for the Federal Circuit

to the 'controlling fact' is that the district court's jurisdiction must have been based 'in whole or in part' on section 1338, and the involved 'civil action' must therefore have been one 'arising under' an Act of Congress relating to patents. Atari, Inc. v. JS & A Group, Inc., 747 F.2d 1422, 1429, 223 USPQ 1074, 1079 (Fed. Cir. 1984)(in banc).

* * *

In sum, what counts is not the mere presence or absence of patent 'issues'; what counts is whether the district court's jurisdiction was based in whole or in part on section 1338. When it is, patent issues will be present; but the reverse is not true, for the mere presence of patent issues has no power to create jurisdiction in the district court. We find no basis or rationale, therefore, for an expanded, open-ended view that this court has been granted jurisdiction over all appeals in cases that contain patent issues, in talismanic reliance on

> 'patent law uniformity' or otherwise. As indicated, the legislative history indicates that this court has not been granted such broad and easily manipulated jurisdiction.

Christianson v. Colt Industries, 822 F.2d 1544, 1551-1553 (Fed. Cir. 1987), reversed on other grounds. 486 U.S. 800, (1988). As shown above, prior to 1982, cases relating to the Patent Office itself (Part I of Title 35) were held not to relate to patents, qua patents, under 28 U.S.C., section 1338. Further,

> [t]he Supreme Court has consistently held that cases do not 'arise under' the patent laws merely because the case involves issues of a patent's validity and scope.

822 F.2d at 1554; the court there cited several cases as examples in support of this proposition, to wit: Luckett v. Delpark, Inc., 270 U.S. 496, 502 (1926); American Well Works Co. v. Layne & Bowler Co., 241 U.S. 257

(1916); Healy v. Sea Gull Specialty Co., 237 U.S. 479 (1915); The Fair v. Kohler Die Co., 228 U.S. 22 (1913); Henry v. A.B. Dick Co., 224 U.S. 1 (1912); Excelsior Wood Pipe Co. v. Pacific Bridge Co., 185 U.S. 282 (1902); Wilson v. Sandford, 51 U.S. (10 How.) 99 (1850). The court then noted,

> The Supreme Court has held that a case arose under the patent laws when the "essential features [of the bill] were the allegation of an infringement and prayers for an injunction, and account for profits and triple damages,--the characteristic forms of relief granted by the patent law" in Healy v. Sea Gull Specialty Co., 237 U.S. 479, 481, (1915). It was cases involving such "essential features" that Congress had in mind when it enacted section 1338 and section 1295(a)(1). ***

822 F.2d at 1554. There are no such "essential features" presented by this case.

The two cases here relied upon by the District of Columbia Circuit, Jaskiewicz v. Mossinghoff, 802 F.2d 532 (D.C. Cir. 1986) and Wyden v. Commissioner, 807 F.2d 934 (Fed. Cir. 1986), were decided prior to Christianson, supra. Neither of the two cases cited is reported as having been taken to this Court, which, thus, has yet to render a statement upon the relation of Patent Office (Part I of Title 35) matters to 28 U.S.C., section 1295(a)(1) in light of section 1338. Moreover, it is the dissent of then Chief Judge Markey in Wyden v. Commissioner, 807 F.2d 934, 937 (Fed. Cir. 1986) which is the more compelling analysis of the issue presented by this petition. (It was Chief Judge Markey who also wrote the Federal Circuit opinion in Christianson.) The error in the majority opinion in Wyden is that it saw the enactment of F.C.I.A. as having vitiated, in some unspecified way, that pre-

1982 body of law which held that matters stemming from Part I of Title 35 did not "relate to patents" as that phrase is utilized in section 1338. The circuit court in Jaskiewicz could

> hardly imagine the Federal Circuit seeking 'to achieve uniformity in patent matters' without exclusive jurisdiction over appeals relating to who may practice before the Patent and Trademark Office.

802 F.2d at 534. Yet, there is not one scintilla of legislative history which supports this change in the long standing practice of section 32 appeals being presented to the District of Columbia Circuit. This is exactly the type of "presumption" Congress noted did not exist. S. Rep No. 275, 97th Cong. 2nd Sess, 18; annexed as a part of the Appendix, at A-5a. This is particularly the case as the use of the concept "patents" in section 1338 was

merely a substitute for the concept "the patent right" in the earlier statute. Wyden, 807 F.2d at 938. No patent right is at issue in this case.

To infer jurisdiction, as the Jaskiewicz and Wyden courts do, is to disregard wholly the express fears of Congress "that the Court of Appeals for the Federal Circuit will appropriate for itself elements of Federal law under its section 1295 (1) grant of jurisdiction." S. Report No. 275, 97th Cong., 2nd Sess., 19.; A-8a.

III. Once the doors are open, the Court of Appeals for the Federal Circuit would potentially have exclusive appellate jurisdiction over more than thirty statutes, in addition to all of the 135 sections of Title 35.

As Chief Judge Markey stated, there are at least thirty-two (32) other "statutes

which 'relate to patents' as much or more than 35 U.S.C., section 32 does." Wyden, 807 F.2d at 942. The criminal and tax examples (numbered eleven and seventeen) cited by Judge Markey emphasize particularly why the section 1338 language must be limited to the Supreme Court's concept of the "essential features" mentioned in the Christianson decision 822 F.2d at 1554. The Federal Courts Improvement Act did not alter one iota of the meaning of the section 1338 concept that which "relates to patents." Section 32 actions are no more within the ambit of the "relates to patents" language today, than they were prior to the enactment of the Federal Courts Improvement Act.

IV. The United States, not knowing the scope of the exclusive jurisdiction of the Court of Appeals for the Federal Circuit, took inconsistent positions in respect to the

proper limits upon the exclusive jurisdiction of the Court of Appeals for the Federal Circuit in cases nearly identical to this one.

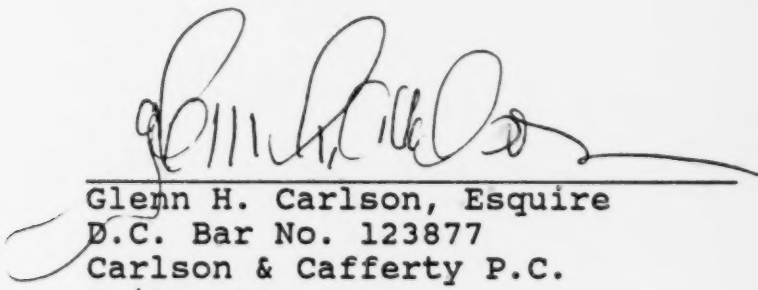
In further support of the fact that the writ herein requested should be granted, petitioner notes that the United States acted inconsistently on this issue. Through the Office of the United States attorney, and not withstanding the pendency of the question of the propriety of jurisdiction before the Federal Circuit in Wyden, supra, the government moved in Jaskiewicz, supra to have the appeal transferred from the District of Columbia Court to the Federal Circuit. Contrary to the expressed "confidence" of the Congress,, the language of 28 U.S.C. 1295(a)(1) has and continues to "pose undue difficulties." S. Rep. No. 275, 97th Cong.,, 2nd Sess., 19; A-9a. The scope of this jurisdictional grant in need of complete and

finite definition.

CONCLUSION

Wherefore, predicated upon the foregoing, and in particular the dissent of Chief Judge Markey in Wyden, supra, the writ requested by this petition should issue.

Respectfully submitted,



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APPENDIX A

United States Court of Appeals

For the District of Columbia Circuit

No. 90-5081 September Term, 1989
C.A. No. 89-1857

Jackson Leeds,

Appellant

v.

Robert A. Mosbacher, Secretary of Commerce, et al.

BEFORE: Mikva, Edwards and Silberman, Circuit Judges

ORDER

Upon consideration of the motion to dismiss, the response thereto and the reply, it is

ORDERED that the motion to dismiss be granted. This court lacks jurisdiction over this appeal. The Federal Circuit has exclusive jurisdiction over an appeal from a final decision of the district court where the cause of action arose under 35 U.S.C.,

section 32, which we interpret as an "act of Congress relating to patents" within the meaning of 28 U.S.C., section 1338(a). See Jaskiewicz v. Mossinghoff, 802 F.2d 532 (D.C. Cir. 1986); Wyden v. Commissioner of Patents and Trademarks, 807 F.2d 934 (Fed. Cir. 1986). We note that transfer is unnecessary, however, since appellant also filed a notice of appeal from the same district court order in the Federal Circuit.

The Clerk is directed to withhold issuance of the mandate herein until seven days after disposition of any timely petition for rehearing. See D.C. Cir. Rule 15.

Filed June 28, 1990

Per Curiam

APPENDIX B

28 U.S.C. section 1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit

(a) [Introductory matter unchanged]

(1) of an appeal from a final decision of a district court of the United States, the United States District for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court of the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title, except that a case involving a claim arising under any Act of Congress relating to copyrights, exclusive rights in mask works, or trademarks and no other claims under section 1338(a) shall be governed by sections 1291, 1292, and 1294 of this title.

Title 28 U.S.C. section 1338. Patents, plant variety protection, copyrights, trade-marks and unfair competition

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety protection and copyright cases.

APPENDIX C

Excerpt from Senate Report 97-275.

Section 126. Section 1294 of title 28, United States Code, sets forth the regional courts of appeals to which appeals from reviewable decisions of the district and territorial courts are to be taken. Section 126(b) of the Act amends this section by providing an exception from these provisions for the cases covered by new section 1295; those appeals will be assigned exclusively to the Court of Appeals for the Federal Circuit.

Section 127. Section 127(a) of the Act adds a new section 1295 to chapter 83 of title 28, United States Code.

Before discussing the court's jurisdiction, it needs repetition here that the Federal courts are courts of limited jurisdiction. There is no presumption in favor of jurisdiction, and the basis for jurisdiction always must be affirmatively shown. It is not sufficient that

jurisdiction merely be inferred argumentatively. See, e.g., Hanford v. Davies, 163 U.S. 273 (1896). Thomas v. Board of Trustees of Ohio State Univ., 195 U.S. 207 (1904). The caselaw is incorporated in the Federal Rules of Civil Procedure. Rule 8(a)(1) requires that a pleading setting forth a claim for relief contain a short and plain statement of the grounds upon which the court's jurisdiction depends, unless the court already has jurisdiction and the claim needs no new ground of jurisdiction to support it.

The defendant in a civil proceeding may, at any time, assert a court's lack of jurisdiction over the subject matter. Furthermore, even though the defendant has not so moved, Rule 12(h)(3), Federal Rules of Civil Procedure, expressly provides that a court "shall dismiss the action" "whenever it appears by suggestion of the parties or

otherwise that the court lacks jurisdiction of the subject matter." What this all amounts to is that a court's jurisdiction is not something that is easily manipulated.

An analysis of pertinent caselaw reveals that both the Court of Claims and the Court of Customs and Patent Appeals have strictly construed their own jurisdiction. They have not allowed inferential and unwarranted increases to their own respective jurisdictions. See, e.g., Eastport S.S. Corporation v. United States, 178 Ct. Cl. 559, 372 F.2d 1002 (1967); Somali Development Bank v. United States, 705 Ct. Cl. 741, 508 F.2d 817 (1974); United States v. Boe, 543 F.2d 151 (C.C.P.A. 1976); and Godtfredsen v. Banner, 598 F.2d 589 (C.C.P.A. 1979). In the rare instance that one of these courts has mistakenly construed its own jurisdictional grant, the Supreme Court has not hesitated to reverse and remand. See, e.g., United States

v. Testan, 424 U.S. 392 (1976); United States v. King, 395 U.S. 1 (1969).

Concern has been expressed that the Court of Appeals for the Federal Circuit will appropriate for itself elements of Federal law under its section 1295 (1) grant of jurisdiction. It has been argued that a jurisdictional grant to the new court to consider appeals from a district court when jurisdiction was based, "in whole or in part," on section 1338 of title 23 (which confers on the district courts original jurisdiction of any civil action arising under an act of Congress relating to patents, plant variety protection, copyright and trademarks) is too broad and that specious patent claims will be tied, for example, to substantial antitrust claims in order to create jurisdiction in the Court of Appeals for the Federal Circuit. However, the statutory language in question requires that

the district court have jurisdiction under 28 U.S.C. 1338. This is a substantial requirement. Immaterial inferential and frivolous allegations of patent questions will not create jurisdiction in the lower court, and therefore there will be no jurisdiction over these questions in the appellate court. As stated above, it is a canon of construction that courts strictly construe their jurisdiction. Therefore, the committee is confident that the present language will not pose undue difficulties.

The Committee is concerned that the exclusive jurisdiction over patent claims to the new Federal Circuit not be manipulated. This measure in intended to alleviate the serious problems of forums shopping among the regional courts of appeals on patent claims by investing exclusive jurisdiction in one court of appeals. It is not intended to create forum shopping opportunities between

the Federal Circuit and the regional courts of appeals on other claims.

Thus, for example, mere joinder of a patent claim in a case whose gravamen is antitrust should not be permitted to avail a plaintiff of the jurisdiction of the Federal Circuit in avoidance of the traditional jurisdiction and governing legal interpretations of a regional court of appeals. Federal District judges are encouraged to use their authority under the Federal Rules of Civil Procedure. See Rules 13(i), 16, 20(b), 42(b), 54(b), to ensure the in integrity of the jurisdiction of the federal court of appeals by separating final decisions on claims involving substantial antitrust issues from trivial patent claims, counterclaims, cross-claims, or third party claims raised to manipulate appellate jurisdiction.

The Committee intends for the jurisdiction language to be construed in accordance with the objectives of the Act and these concerns. If, for example, a patent claim in manipulatively joined to an antitrust action but severed or dismissed before final decision of the antitrust claim, jurisdiction over the appeal of the antitrust claim should not be changed by this Act but should rest with the regional court of appeals.

Further, the jurisdictional section of the CAFC should be read with section 301 of the proposed legislation. This latter section allows any Federal court which lacks jurisdiction over a matter to transfer the complaint or appeal to a proper court, in the same manner as if the complaint or appeal had been filed in that court in the first instance. This provision, therefore, will allow the CAFC to transfer cases to the

proper circuit court, or vice versa.

Section 1295 establishes the jurisdiction of the United States Court of Appeals for the Federal Circuit as follows:

Section (a)(1) of new section 1295 of title 28 gives the Court of Appeals for the Federal Circuit jurisdiction of any appeal in which district court jurisdiction was based, in whole or in part, on section 1338 of title 28 (which confers on the district court original jurisdiction on any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trademarks), except that appeals of district court decisions in cases involving copyrights or trademarks and none of the other issues will continue to go to the regional appellate courts, pursuant to section 1294 of title 28.

Subsection (a)(2) of section 1295 of title 28 gives the Court of Appeals for the

Federal Circuit jurisdiction of any appeal from a district court where the jurisdiction of the district court was based, in whole or in part, on section 1346 title 28, United States Code, except that an appeal in a case brought in a district court under Sections 1346(a), 1346(b), or 1346(e), or 1346(c) when the claim is founded on an act of Congress or a regulation for internal revenue, and an appeal in case brought under section 1346(c) (Tort Claims Act) will continue to go to the regional courts of appeals. The Bill modifies section 1346 to bring all other civil cases in which the United States is a defendant under centralized appellate review. Because cases brought under the Federal Tort Claims Act frequently involve the application of State law, those appeals will continue to be brought to the regional courts of appeals.

Subsection (a)(3) of section 1295 of title 28 gives the United States Court of Appeals for the Federal Circuit jurisdiction of any appeal from the United States Claims Court. As provided in the Bill, the new Claims Court would succeed to the trail jurisdiction the Court of Claims now has.

Subsection (a)(4) of section 1295 of title 28 gives the United States Court of Appeals for the Federal Circuit jurisdiction of appeals from decisions of the Board of Appeals and the Board of Patent Interferences of the Patent and Trademark Office as to patent applications and interferences; from decision of the Commissioner of Patents and Trademarks as to trademark applications and proceedings; and of appeals in patent and trademarks cases brought in a Federal district court under 35 U.S.C. 145 or 146. Under existing law, jurisdiction of appeals from these decisions is in the Court of

Customs and Patent Appeals. See U.S.C. 1542. The purpose of placing jurisdiction of these appeals in the United States Court of Appeals for the Federal Circuit is to centralize patent appeals in a single forum and, as a result, to promote uniformity in the application of the law. The provisions of existing law entitling litigants in trademark and patent matters to de novo review in the district court remain unchanged.

* * *

Subsection (a)(8) of section 1295 of title 28 gives the Court of Appeals for the Federal Circuit jurisdiction of appeals under section 71 of the Plant Variety Protection Act (7 U.S.C. 2461). Under existing law, the Court of Customs and Patent Appeals has jurisdiction of these appeals, pursuant to section 1545 of title 28, United States Code.

Excerpt from House Report 97-312.

Section 125 - Jurisdiction of the United States Court of Appeals for the Federal Circuit

Section 125(a) of the proposed legislation defines the exclusive jurisdiction of the United States Court of Appeals for the Federal Circuit. It does this by adding a new section 1295 to chapter 83 of title 28, United States Code. Section 125(a) also creates a mechanism which the court will use in determining the order in which civil cases are to be considered. The court, in accordance with any law applicable to priorities for hearing civil cases, must give precedence to actions in the order that the court may establish by rule. This end is achieved by adding a new section 1296 to chapter 83 of title 28, United States Code.

Before discussing the court's

jurisdiction, it bears repetition here that the Federal courts are courts of limited jurisdiction. There is never a presumption in favor of jurisdiction, and the basis for that jurisdiction always must be affirmatively shown. It is not sufficient that jurisdiction merely be inferred argumentatively. See, e.g., Hanford v. Davies, 163 U.S. 273 (1986); Thomas v. Board of Trustees of Ohio State Univ., 195 U.S. 207 (1904). This caselaw is incorporated in the Federal Rules of Civil Procedure; Rule 8(a)(1) requires that a pleading setting forth a claim for relief contain a short and plain statement of the grounds upon which the court's jurisdiction depends, unless the court already has jurisdiction and the claim needs no new grounds of jurisdiction to support it.

Jurisdiction is not an issue that ordinarily will escape a court's attention.

The defendant in a civil proceeding may, at any time, assert a court's lack of jurisdiction over the subject matter. Furthermore, even though the defendant has not so moved, Rule 12(h)(3), Federal Rules of Civil Procedure, expressly provides that a court "shall dismiss the action" "whenever it appears by suggestion of the parties or otherwise that the court lacks jurisdiction of the subject matter." In other words, even if not raised by the defendant, jurisdiction is a threshold question that must be and is considered by any court.

An analysis of pertinent cases reveals that both the Court of Claims and the Court of Customs and Patent Appeals have followed these dictates. Both courts have strictly construed their own jurisdiction. They have not allowed inferential and unwarranted increases to their own respective jurisdictions. See, e.g., Eastport S.S.

Corporation v. United States, 178 Ct. Cl. 559,372 F. 2d 1002 (1967); Somali Development Bank v. United States, 705 Ct. Cl. 741,508 F. 2d 817 (1974); United States v. Boe, 543 F. 2d 151 (C.C.P.A. 1976); and Godtfreden v. Banner; 598 F. 2d 589 (C.C.P.A. 1979). In the rare instance that one of these courts has mistakenly construed its own jurisdictional grant, the Supreme Court has not hesitated to reverse and remand with instructions. See, e.g., United States v. Testan, 424 U.S. 392 (1976); United States v. King, 395 U.S. 1 (1969).

Fears have expressed that the Court of Appeals for the Federal Circuit will appropriate for itself large elements of Federal law under its section 1295(a)(1) grant of jurisdiction. Opponents of the legislation, as well as several interested parties who generally support the legislation, argue that a jurisdiction grant

to the new court to consider appeals from a district court when jurisdiction was based, "in whole or in part", on section 1338 of title 28 (which confers on the district courts original jurisdiction of any civil action arising under an act of Congress relating to patents, plant variety protection, copyright and trademarks) is dangerously broad. It is argued that specious and peripheral patent claims will be tied, for example, to substantial antitrust claims in order to create jurisdiction in the Court of Appeals for the Federal Circuit. The "in part" jurisdiction of the new court, to use an apt metaphor, will be a locomotive that will pull all sorts of related issues into the terminal of the court's appellate jurisdiction.

In addition to being highly speculative as to the results that this might have on substantive decision making, because one has

to assume that an appeal would handled by the new court in a different manner than in the other circuits, this argument does not recognize the obvious. The statutory language in question specifically requires that the district court have jurisdiction under 28 U.S.C. 1338. This, standing alone, is a substantial requirement. Immaterial, inferential, and frivolous allegations of patent questions will not create jurisdiction in the appellate court. As stated above, it being a canon of construction that courts strictly construe their jurisdiction, and it further being the practice of trial courts to create a clear record below on jurisdictional issues, the committee is confident that the present language is not unduly broad.

Should questions legitimately arise respecting ancillary and pendent claims and for the direction of appeals in particular cases, the Committee expects the courts to

establish, as they have in similar situations, jurisdictional guidelines respecting such cases. Whatever form such guidelines for particular cases may take, the proposal would continue to provide a consistent jurisprudence and a uniform body of patent law created over time by the Court of Appeals for the Federal Circuit or by its reviewing court, the Supreme Court of the United States.

Paragraph (1) of new section 1295(a) gives the Court of Appeals for the Federal Circuit jurisdiction of any appeal in which the trial court jurisdiction was based, in whole or in part, on section 1338 of title 28 (which as stated above confers on the district courts original jurisdiction of any civil action arising under Act of Congress relating to patents, plant variety protection, copyright and trademarks), except that jurisdiction of an appeal in a case

involving a claim arising under any Act of Congress relating to copyrights or trademarks, and no other claims under section 1338(a) will continue to go to the regional appellate courts, pursuant to section 1294 of Title 28. Cases will be within the jurisdiction of the Court of Appeals for the Federal Circuit in the same sense that cases are said to "arise under" federal law for purposes of federal question jurisdiction. Contrast, Coastal State Marketing, Inc. v. New England Petroleum Corp., 604 F.2d 179 (2d Cir., 1979).